

## Survey shows increase in workforce mental health needs

2 years ago



Mental health requirements among workforces have continued to climb this year, with 77% of large employers reporting an increase and another 16% anticipating one in the future, according to Business Group on Health's *2024 Large Employer Health Care Strategy Survey*.

This represents a 33 percentage-point surge over last year, when 44% of employers saw an increase in employee mental health concerns.

The Business Group survey, released today in Washington, USA, also showed that cancer was still the top driver of large companies' health care costs while rising prescription drug costs also proved to be a leading concern. Cancer overtook musculoskeletal conditions last year as the top driver of large companies' health care costs and shows no sign of abating in the coming years.

Yet as businesses respond to the increase in mental health needs, grapple with soaring health care costs and address issues of health equity and affordability, they will continue to invest strategically in diverse health and well-being offerings for the upcoming year, the survey also showed.

"Our survey found that in 2024 and for the near future, employers will be acutely focused on addressing employees' mental health needs while ensuring access and lowering cost barriers," said president and CEO Ellen Kelsay. "Companies will need to creatively and deftly navigate these and other challenges in the coming year, especially as they remain committed to providing high-quality health and well-being offerings while managing overall costs."

The survey gathered data on a range of critical topics related to employer-sponsored health care for the coming year. A total of 152 large employers across varied industries, who together cover more than 19

million people in the United States, completed the survey between 1 June, 2023, and 18 July, 2023.

More details on employers' top areas of concern, according to the survey:

- An increase in mental health challenges was cited as the most significant area of prolonged impact resulting from the pandemic. Last year, 44% of employers saw a rise in mental health concerns, while 77% of employers reported an increase this year, with another 16% anticipating one in the future. To address this trend in 2024, employers said they were acutely focused on access to mental health services by providing more options for support and lowering cost barriers to care.
- One in two employers said cancer was the main driver of health care costs, and 86% said it ranked among the top three, likely due to late-stage cancer diagnoses from the pandemic. Last year, cancer overtook musculoskeletal conditions as the top driver of large companies' health care costs, for the first time.
- Pharmacy costs continue to affect trend and affordability. While 92% of employers are concerned about high-cost drugs in the pipeline, 91% reported concern about pharmacy cost trend overall. This comes as employers experienced an increase in the median percentage of health care dollars spent on pharmacy, from 21% in 2021 to 24% in 2022. For 2024, employers said they planned to deploy various pharmacy management strategies.
- After plan design changes, health care trend may reach a 6% increase in 2023 and 2024, which is higher than historical increases. Employers said they would continue to focus on plan and patient affordability, underscoring the demand for delivery system and payment transformation to focus more heavily on improvement in outcomes, lowered total cost of care, reduction in unnecessary services, and the prioritization of prevention and primary care.
- In 2024, employers plan to assess partnerships and vendors to ensure value and higher-quality, cost-effective services. The survey also showed that employers are holding vendors accountable for greater transparency in results, pricing and contractual terms. In addition, nearly half of employers plan to require vendors to report on health equity measures, while many seek to streamline partnerships and vendor offerings.
- Employers identified transparency as a potential tool to contain costs and improve quality, enabling employees to make more educated health care decisions (87%). Employers also expressed support for engagement platforms, which could aid employees in identifying and navigating appropriate health and well-being solutions. In addition, 73% of employers prioritized requirements for more transparency in PBM pricing and contracting, while 58% expressed an interest in additional reporting and better provider quality measurement standards.
- While employers continue to see virtual health as essential to their overall strategy, they are less inclined to see virtual health as transformative on its own. In 2021, 85% of employers said virtual health would impact overall delivery, compared with 74% in 2022 and 64% in 2023. Employers indicated concerns with virtual health, including a lack of integration among solutions.
- Employers' health equity approaches continue to evolve, with a focus on specific communities and populations within the workforce. In 2024, many employers (86%) said they would collaborate with employee resource groups (ERGs) to promote benefits and well-being initiatives to specific groups, while 61% said they would require health plan and navigation partners to maintain directories of health care and mental health providers. In addition, 85% of employers plan to implement at least one strategy to support the health and well-being needs of LGBTQ+ employees.